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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**  
12

13 In re

Case Number: 2:24-bk-17820 BB

14 SKYLOCK INDUSTRIES, a California  
15 corporation,

Chapter 11

**REPLY TO OPPOSITIONS TO SALE  
MOTIONS**

16 Chapter 11 Debtor and  
17 Debtor-In-Possession.

**Date:** November 27, 2024

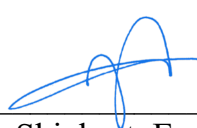
**Time:** 10:00 a.m.

**Place:** 255 East Temple Street,  
Courtroom 1539  
Los Angeles, CA 90012

18 **TO THE HONORABLE SHERI BLUEBOND, UNITED STATES**  
19 **BANKRUPTCY JUDGE AND TO ALL PARTIES ON THE ANNEXED SERVICE**  
20 **LIST:** SKYLOCK INDUSTRIES, the debtor and debtor-in-possession in the above  
21 entitled Chapter 11 proceeding (“Debtor”), hereby submits its reply to the Oppositions to  
22 the Debtor’s Motion for Approval of Employment of Onyx Asset Advisors, LLC & Rabin  
23 Worldwide & Authorization to Sell Certain Machinery and Equipment Free and Clear of  
24 Liens, Claims and Encumbrances.

25 JEFFREY S. SHINBROT, APLC

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27 Dated: November 25, 2024

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Jeffrey S. Shinbrot, Esq, Reorganization  
Counsel for Debtor-In-Possession

**REPLY**

As to the opposition of MITSUBISHI HC CAPITAL AMERICA, INC. (“Mitsubishi”), the Debtor is working with Mitsubishi regarding the two machines that are on the operative list of assets to be sold that is filed at ECF Dkt. No. 125. The machines bear serial number 1166980 (which machine is in the storage building and serial number 1166979 (which machine is in the production facility). Mitsubishi’s lien appears to have priority over all other liens regarding these two items, therefore, after any negotiated carve out for the Sale Agents and landlord, the Debtor proposes that the proceeds be paid to Mitsubishi, to the extent that there are additional proceeds the Debtor proposes that those proceeds be paid in the order of priority to secured claimants.

As to DSI AUTOMITICE SERVICES’S INC., the Debtor confirms that it does not seek to sell collateral of DSI.

As to Adhara, the Debtor was in the midst of negotiating with the SBA for *carve outs* for payment to its proposed sale professionals, landlord and operating capital when disputed creditor Adhara purchased the SBA’s claim, which interfered with and terminated the negotiations. Both the first list of equipment and the amended list were provided by the Debtor’s president Jim Please. Mr. Pease has been the person in charge of operating the Debtor’s manufacturing facility for decades, but apparently (and strangely), Adhara has sufficient information and control of the Debtor to argue that “[t]o the extent any such Assets are located in the Azusa plant and utilized in the Debtor’s operations, it would not benefit the Debtor’s estate to sell such Assets as it would disrupt operations and result in very significant costs associated with professionally “unplugging” the equipment and machinery and shifting in equipment and machinery currently stored at the Padilla Property.”

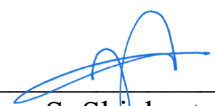
Clearly, Adhara’s purpose for purchasing the SBA claim was in furtherance of its attempt to terminate the Debtor’s chapter11 case in hopes of obtaining its goal of operating the Debtor’s business for its own benefit and to the detriment of the estates’

creditors and constituents. Adhara should not be permitted to continue to interfere with the Debtor's reorganization by preventing a sale that would reduce administrative rent expenses by \$16,000 per month and alleviate the Debtor of secured obligations on equipment that it is not using in its business.

The Debtor is in the process of doing what good faith chapter 11 debtors do, selling assets that it does not need for its business operations and preparing its Chapter 11 plan. The Debtor therefore respectfully requests that the Court approve the Motion over the opposition of Adhara, with a carve out for the sales agents and the Debtor's landlord in the amount of \$16,000 per month from October 1, 2024 through the close of the sale process, not to exceed \$48,000.

JEFFREY S. SHINBROT, APLC

Dated: November 25, 2024



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Jeffrey S. Shinbrot, Esq,  
Reorganization Counsel for Debtor-In-  
Possession

**DECLARATION OF JEFFREY B. CREVOISERAT**

I, Jeffrey B. Crevoiserat, declare as follows:

1. I am over the age of eighteen and I am the Chairman of the Board of Directors of Skylock Industries, a California corporation, ("Debtor" or "Skylock"). As to the following facts, I know them of my own personal knowledge, except where stated on information and belief, and if called as a witness, I could and would testify as set forth herein. I am the Chairman of the Board of Directors of the Debtor.

2. On September 26, 2024, ("Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code"). The Debtor is continuing in the operation and management of its business as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. Jim Pease is the Debtor's president and he has managed the production operations of the Debtor for more than 20 years. As to the two lists of machinery that the Debtor filed in connection with its sale motion, the first list filed at ECF Dkt. No. 106 and the operative list filed at ECF Dkt. No. 125 both lists were based on information provided by Mr. Pease.

4. I am informed and I believe that the first list was a result of a meeting between Mr. Pease and professionals from Oynx Asset Advisors who traveled to Los Angeles and met with Mr. Pease at the Debtor's facilities. The second and operative list was provided to me by Mr. Pease and I confirmed the items on that list with Mr. Pease before the list was filed in the Bankruptcy Court.

5. As the Debtor's managing agent in these bankruptcy proceedings, my principal goal by this motion is to relieve the Debtor of its \$16,000 per month rent obligation to the landlord of 16105 Avenida Padilla, in Azusa, CA and to relieve the

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1 Debtor of secured obligations related to equipment and machinery that the Debtor no  
2 longer uses in its business.

3 I declare under penalty of perjury under the laws of the United States of America  
4 that the foregoing is true and correct.

5 Executed on November \_\_, 2024, Key Biscane, Florida.

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JEFFREY B. CREVOISERAT

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

15260 Ventura Blvd., Suite 1200  
Sherman Oaks, CA 91403

A true and correct copy of the foregoing document entitled (*specify*): **REPLY TO OPPOSITIONS TO SALE MOTIONS**: will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below.

**X 1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 11/26/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Kathryn M.S. Catherwood kcatherwood@grsm.com, mbrookman@grsm.com; asoto@grsm.com; jswanson@grams.com
- Alan W Forsley alan.forsley@flpllp.com, awf@fkllawfirm.com, awf@fl-lawyers.net, addy@flpllp.com, andrea@flpllp.com
- Nicolino Iezza niezza@spiwakandiezza.com
- David Leichtman dleichtman@leichtmanlaw.com
- Misty A Perry Isaacson misty@ppilawyers.com, ecf@ppilawyers.com; pagterandperryisaacson@jubileebk.net
- Christopher J Petersen chris.petersen@blankrome.com, evelyn.rodriquez@blankrome.com
- Matthew D Pham mpham@allenmatkins.com, mdiaz@allenmatkins.com
- David Samuel Shevitz David.S.Shevitz@usdoj.gov
- Jeffrey S Shinbrot jeffrey@shinbrotfirm.com, sandra@shinbrotfirm.com; tanya@shinbrotfirm.com
- Rachel P Stoian stoian.rachel@dorsey.com, stell.laura@dorsey.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Shane Wax swax@leichtmanlaw.com
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**SERVED BY UNITED STATES MAIL**: On (*date*) 11/26/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Additional service list attached.

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*), I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

11/26/2024

*Date*

Sandra Rodriguez

*Printed Name*

/s/Sandra Rodriguez

*Signature*